

OTI DAI-SWIFT PROJECT

QUARTERLY PERFORMANCE REPORT

For the period January 1--March 31, 2001

The DAI SWIFT project began with the September 30, 1998 signing of *Task Order Contract AOT-I-01-98-00199-00* between USAID-Office of Transition Initiatives (OTI) and Development Alternatives Inc. (DAI). Since the initial Task Order there have been eleven subsequent modifications. The current DAI-SWIFT contract provides for an extension through December 31, 2001.

I. PROJECT DESCRIPTION

A. Background

The economic crisis in Indonesia in 1997 and the resultant political and social upheavals in 1998 made it evident that fundamental governance problems lay at the root of these serious problems. However, a general atmosphere of willingness by the Indonesians to reform political systems also arose, and USAID decided to support and enhance this opportunity for meaningful, peaceful reform via an OTI project.

The OTI undertaking in Indonesia was launched in mid-1998. Its overall objective is to provide impartial and useful assistance and information to Indonesians so that informed decisions regarding the processes of political change can be made. The initial focus, up through the July 1999 general election, sponsored NGOs and other organizations in election-related activities, so that the election could be as democratic and successful as possible. After that major event was over, OTI developed a new portfolio, defining the post-election assistance, which contained the following five sectors:

- Promoting responsible media
- Civic education
- Conflict prevention and reconciliation
- Socialization of the election results
- Anti-corruption/transparency/good governance

Political events changed the configuration of the project. The September 1999 referendum in East Timor, the cataclysmic aftermath to the referendum and Indonesia's subsequent jurisdictional release of that province caused OTI to early on provide assistance to the devastated new country. A regional office was opened up in Dili, East Timor in December 1999, and it has been fully staffed and operational since early 2000.

The “Joint Understanding on Humanitarian Pause for Aceh” signed by the Indonesian government and the separatist fighting faction in the war-torn province of Aceh (which took effect in early June 2000) presented the opportunity for OTI to achieve meaningful work there. Therefore, a 2-person sub-regional OTI office was opened up in Banda Aceh in mid-May 2000. Initial grants were implemented, but security reasons later in the year forced the programs in that province to be curtailed or suspended. OTI has continued to implement grants in Aceh, but the program is not as full-scale as desired, because of the security factor.

In the plenary OTI-DAI team-building session held in February 2001, it was decided that OTI -Indonesia should concentrate its efforts on the areas of primary critical turmoil in the archipelago (Maluku, Aceh, Papua, and West Timor), with secondary emphasis on other areas of conflict, like Central Sualwesi and Kalimantan. Thus the project is now mainly sponsoring off-Java activities in these geographical areas. It was determined that the main focus should also be on the following sectors:

- Conflict Prevention/Mitigation/Resolution,
- Good governance,
- Human rights
- Civil/Military Relations.

Meanwhile, in the Programming Meeting for OTI/SWIFT-East Timor held in the same month, it was decided that the appropriate sectors for OTI/SWIFT-East Timor to concentrate on are:

- ❖ Community Stabilization
- ❖ Civil Society
- ❖ Media
- ❖ Governance
- ❖ Reintegration

B. DAI SWIFT Project Funding

The current provision of contract funds for the DAI SWIFT project is as follows:

TABLE 1

DAI SWIFT CONTRACT FUNDING (US \$)		
<u>Contract Document</u>	<u>Effective Date</u>	<u>Budgeted Funds</u>
Task Order #1	Sept. 30, 1998	2,514,925
Modification 1	Oct. 26, 1998	36,585
Modification 2	Jan. 14, 1999	729,245
Modification 3	Feb. 1, 1999	2,919,280
Modification 4	May 25, 1999	4,955,813
Modification 5	Sept. 27, 1999	2,142,428
Modification 6	February 4, 2000	8,970,213
Modification 8	June 22, 2000	15,000,001
Modification 11	February 28, 2001	4,533,955
Total Estimated Cost		\$41,802,445

Modification #11 was signed on February 28, 2001 and added \$4,533,955 of funds to the project, resulting in a new Total Estimated Cost of \$41,802,445. The total amount of obligated funds is \$39,675,276.

II. PROJECT OPERATIONS

The highlights of the overall operations of this reporting period will be described first in this section, followed by descriptions of the operations in the individual regional offices of DAI SWIFT.

A. Overall Operations

1. Information systems

Barclay Howe, the Bethesda-based Senior Systems Integration Specialist, visited the project to set up a new server in the Jakarta office, as the original had malfunctioned and could not be repaired locally. The project's Jakarta-based technical expert again travelled to the East Timor regional office on 17-19 January, installing network cards and wiring new LANs.

The "Technical Assistance Management Information System" (TAMIS) that was tailor-made for DAI SWIFT in both Indonesia and East Timor has been working well throughout the project and provides useful instantaneous project data. A portion of one of the many available views of the TAMIS system is presented as Appendix I; this particular view lists each DAI SWIFT grantee (inclusive of East Timor grantees) through the end of March 2001, and the date and amounts of the approved grants.

2. Conferences

A plenary Programming Meeting and Team Building Session for SWIFT -Indonesia was held in Anyer, West Java on 5-7 February. The "hot spot" strategy was affirmed as the appropriate direction for OTI at this time in Indonesia, with the geographical areas and sectors to be prioritized as mentioned in the above "Background" section of this report.

On 8-10 February a Programming Meeting for SWIFT- East Timor was held in Jogjakarta. It was decided that the appropriate sectors for OTI to work in are as listed in the above "Background" section of this report.

Larry Meserve, the CTO from OTI Washington, and other officers from Washington DC and from USAID-Jakarta attended and contributed at both of these conferences.

3. Expansion into Papua

Due to the importance of increased OTI assistance in Papua, it was decided to establish a sub-regional OTI-SWIFT office in Jayapura. Recruitment was done for two positions there, and by the end of the quarter the Implementation/Logistics Assistant position was filled. The office will be located in a hotel in that city, for security and logistic reasons.

4. Short-term project support

DAI SWIFT and OTI continued to benefit from very good home office support. These visitors included:

- Barclay Howe (7-11 January) -- DAI home-based technical staff; installed new server at DAI- Jakarta office
- Tom Stukel (17 January-3 February) -- OTI consultant visited OTI- East Timor
- Bruce Spake (2-12 February) -- SWIFT Project Manager from Bethesda; attended the Programming and TBS sessions for SWIFT - Indonesia and SWIFT - East Timor
- Larry Meserve (4-19 February) -- OTI CTO of the project; attended the Programming and TBS sessions for SWIFT - Indonesia and SWIFT - East Timor and made field visit to East Timor
- Roger Conrad (4-16 February) -- OTI team leader for Management and Program Operations; attended the Programming and TBS sessions for SWIFT - Indonesia and SWIFT - East Timor and made field visit to East Timor
- Keri Eisenbeis (4-16 February) -- OTI Global Bureau Officer; attended the Programming and TBS sessions for SWIFT - Indonesia and SWIFT - East Timor and made field visit to East Timor
- Cressida Slote (4-16 February) -- OTI Monitoring and Evaluation Officer; attended the Programming and TBS sessions for SWIFT - Indonesia and SWIFT - East Timor and made field visit to East Timor
- Todd Johnson (18-24 February) -- SWIFT Mindanao Country Manager, provided assistance to SWIFT - East Timor

5. DAI-SWIFT Contract Extension

On 28 February the USAID/DAI-SWIFT contract extension was executed. It extended the contract through 31 December 2001 and provided for additional funds of \$4,533,955. The Total Estimated Cost of the project is now \$41,802,445.

6. OTI Beneficiary Impact Evaluation

ACNielsen presented qualitative results of the OTI Beneficiary Impact Evaluation at the plenary TBS conference in Anyer in February. By mid-February they had completed the research and their final report. They submitted the report on time and made a presentation of the results to OTI on 2 April 2001.

7. Financial Performance

The financial data from official invoicing for the project is only available up through February 2001, because of the usual lag in invoicing. As seen in Appendix II, a total of 61% of the total DAI SWIFT budget of \$41,802,445 has been spent and invoiced through the end of February 2001. Of that invoiced amount, 62% of the grants budget has been invoiced, compared to 62% of the Indonesia operations budget and 55% of the East Timor operations budget. The monthly costs for the Indonesia operations remained quite constant, averaging slightly more than the last quarter's average of \$210,000. For East Timor, the operations cost for January 2001 were quite low; however the February 2001 costs (\$224,281) were more in line with the average monthly costs for the preceding year (\$205,000). The data as a whole shows a relatively low ratio of operations costs to grants invoiced (\$8,619,456 and \$16,716,974 respectively) of 1: 1.93.

B. Jakarta Regional Office Operations

Consistent with the absorption of former Surabaya staff into the Jakarta office, Ms Mayastuti was hired as Procurement/Logistician in Jakarta, beginning in the new year. Taufik Asril, an original Procurement/Logistician in the Jakarta office, tendered his resignation effective 31 March, and will report to SWIFT- East Timor as a Procurement/Logistician Supervisor on 2 April. Recruitment was completed for an Administrative Asst./Procurement Supervisor, and the successful candidate will begin working on the project in mid-April.

The excess equipment from the downsizing of the Surabaya office arrived in Jakarta in early January. That which was needed in the Jakarta office was utilized there, and the rest was placed in storage in Jakarta.

As seen in Appendices III, IV and V, at the end of the quarter the Jakarta regional office had awarded a total of 221 grants with a value of \$8,963,773. Of this amount, \$6,720,253 had been duly disbursed, or 75% of total grants awarded.

C. Medan Regional Office Operations

A new Program Development Specialist for the Banda Aceh sub-regional office, Fachrizal, was hired on 8 January 2001.

9 new grants were signed during the quarter, bringing the total number of MOUs to 116, with a total value of \$2,592,598 (refer Appendices III and IV). Total grant disbursements have reached \$2,045,989 or 79% of total grants approved, as per Appendix V.

D. Surabaya Regional Office Operations

The shift to the new downsized office went smoothly, and programming efforts continued as normal at this regional office. However, almost all of the implementation of the Surabaya grants are now executed at the Jakarta office. Arie Parikesit, the procurement officer for SWIFT - East Timor moved his base of operations to Surabaya, and is now sharing the office with SWIFT-Indonesia staff.

In early March, the USAID CSSP project opened an office adjacent to the Surabaya office, and will share a few of the SWIFT-Surabaya office facilities there. Since both projects have similar NGO clients, there should be programmatic benefits to both projects due to this co-location.

At the end of the reporting period a total of 111 grants valued at \$2,211,201 had been awarded (refer Appendices III and IV). Implementation of the grants is now handled by the Jakarta office, so the disbursement data is not relevant to the Surabaya office.

E. East Timor Regional Office Operations

During the period, one new project officer, one driver, one assistant Grants Manager and two new drivers were hired. Soehargono, the former Grants Manager at the Surabaya regional office, started work here as Senior Grants Manager in mid-March. Also, one driver was terminated, one driver resigned and one security guard resigned.

An Orientation session and Orientation Checklist were started in early February. This process will give all new employees an official introduction to the USAID/OTI/DAI East Timor office, and a basic starting foundation with information regarding policies, procedures, program information and general office information. Every employee must attend orientation within the first two (2) weeks of their employment.

The grant production continued at a high rate, with 48 grants being signed during the period, and the value of the grants awarded during the period (at over \$830,000) was considerable also (refer Appendices III and IV). Disbursements for grants decreased slightly to \$663,687 during the period (refer Appendix V). Total disbursements, at \$6,639,141, are at 76% of total grants awarded.

III. GRANT ACTIVITIES

A. Jakarta/Surabaya Grant Activities

Note: Because the programming emanating from the Surabaya regional office is managed by the Jakarta Country Program Manager, there is no reason to present

information about the Surabaya program anymore by itself. The programming work done there will be combined with the programming work done at the Jakarta office.

Early in the quarter, the Jakarta implementation staff continued to implement grants that were approved in 2000, while waiting for the DAI contract extension to begin working on new activities. For Jakarta-based grants, many of them were also in the process of closing, particularly in the area of civil/military and human rights.

Of the new grants that were approved in January, three in Sulawesi were linked to the same set of activities, a training for “Communicating for Peace” in both North and Central Sulawesi. This training targeted 48 NGO leaders and community-based and religious leaders from Manado and Palu, and the aim was to assist them in working more effectively in pre-conflict, conflict, and post-conflict situations. Areas that were covered by the training included communicating through the media, media mapping, understanding journalists’ needs, how to do media campaigns and how to use alternative media, effective approaches to conflict management and resolution, ways of building bridges through communication, and the importance of communication in managing conflicts. Another grant that was approved and implemented in January was the Improvement in Political Communication Skills for the Lembata Regency legislature in East Nusa Tenggara. This activity consisted of a three-day workshop/training for the newly established parliament of the Lembata regency in East Nusa Tenggara. The main focus of the workshop was to improve the political communication skills of the new parliamentarians with a particular emphasis on negotiation and lobbying techniques as well as conflict prevention and resolution. In addition, in order to provide a more comprehensive framework for the legislators, materials outlining the major functions of a legislator, including representation, legislation, budgeting, and parliamentary rules of conduct were also presented at the workshop.

Maluku

January 19 marked the two-year anniversary of the conflict in Maluku. On Ambon island, there was an upsurge in violence immediately following that date. On the island of Seram, the town of Wahai was attacked and a portion of it destroyed. Villagers fled to other safe havens on Seram. By the end of the month, the violence had been reduced to isolated sporadic incidents.

Forced religious conversions on the islands of Kesui and Teor reportedly continued during the quarter, although reports of these dwindled by the end of March. As many as four investigation teams, one of which was headed by the governor, went to the islands to check into these reports as well as to evacuate those islanders who considered themselves to be at risk. By the end of the quarter, a number of evacuated converts had reconverted to their original religions.

The military announced a significant reduction in the number of troops in the region – from 17 battalions to 4. The withdrawal was expected to be complete sometime in late February. However, a combination of public sentiment and orders from Jakarta resulted in far fewer troops leaving the province. This was generally well received by the general public.

At the end of the quarter, there was evidence that Laskar Jihad was on the move again and some believed that they were trying to consolidate their power base among an increasing number of Muslim communities on the island. They have also been seen in Ambon attempting to purge prostitutes and other so-called bearers of vice from Muslim sections of the city. The result has been confrontation with Ambonese Muslims, who are seen to be much more tolerant of such elements in their midst. And finally, Ambon was rocked by the premature death of Christian fighter-turned-grassroots peacemaker Agus Wattimena, who was alleged to have been murdered at home by his wife.

OTI grantee Mercy Corps, in association with local partners Team 20 and Pemali, continued the community-wide repair and reconstruction project with Christians and Muslims launched shortly before Christmas. In addition, the National Commission for Human Rights' mediation skills and techniques workshop was held in mid-January. Unfortunately, certain participants "hijacked" the workshop by using it as a forum to air their political agenda. The action split the participants into Christian and Muslim camps and eventually forced the grantee to cancel the remainder of the workshop. Lessons learned from the experience: 1) In spite of a thorough non-partisan review process, participants' political agendas cannot always be anticipated, and 2) Sponsorship of an activity focused on a regional conflict by a high profile national organization may in fact invite opportunism by those seeking to gain a national platform and profile to air their grievances.

In March, OTI sponsored the Go East Institute/Archdiocese of Ambon's national dialogue in the Kei Islands, to share successful peace building efforts in Southeast Maluku with their Central and North Maluku counterparts. The activity, with over 1,000 participants, was oversubscribed with the additional participants paying their own way in order to attend the seminars and workshop. In addition, OTI funded local group Ikrapati to hold the third in a series of pre-dialogues aimed at building consensus among all parties – Christian and Muslim, current residents and displaced former residents, townspeople and neighboring communities – regarding the reunification of community members from the divided towns of Tihu, Rumah Tiga and Poka.

Late in the quarter, OTI funded Mercy Corps, the Conflict Management Group and the Center for Dispute Resolution to carry out a training and technical assistance program for select NGOs working in both communities in order to develop their skills in marrying a peace building or mediation component to concrete relief activities. OTI also funded Mercy Corps to establish a new neutral space in Ambon – a resource and meeting center for non-governmental and other community organizations.

On the human rights front, OTI provided bridge funding for the operations of the National Commission for Human Rights branch office in Ambon. This bridge funding will carry the office operations over the next six months, allowing staff in Ambon to focus more fully on their investigations and mediation as well as the search for a permanent funding source for the office. Finally, OTI funded the travel and accommodation for victims of forced religious conversion, both Christian and Muslim, to deliver their testimony to the Ministries of Justice and Human Rights and Religion.

OTI's future plans for Maluku include continuing support for the expansion of neutral space, as well as support for those communities choosing peaceful coexistence over divisive violence. OTI hopes to support the government's efforts to repatriate over 1000 families in Southeast Maluku by supplying building materials and uniforms for schools in that region. OTI is also exploring the possibility of helping the government to rebuild the houses of IDPs from Dobo in Southeast Maluku so that they may also return to their home villages. On Ambon island, OTI hopes to once again work with the Joint Committee in expanding neutral space outside Ambon city. In addition, OTI hopes to support government efforts to expand its own neutral work space as well as efforts to clean up Ambon city. Finally, OTI is exploring the possibility of supporting a school that hopes to reintegrate both its student body and its faculty.

In North Maluku, a series of important high-profile grants were approved at the end of this quarter. There are four grants, each to purchase materials for community reconstruction in eight different areas in North Maluku. These grants total over \$300,000, and they include costs for purchasing and transporting 3,000 tons worth of basic building materials (cement, zinc roofing, nails, and carpentry kits) to support the process of resettling internally displaced persons and community reconstruction in North Maluku. These grants were signed in coordination with the regional level staff of the Indonesian Agency for Handling Disaster Response and IDPs as well as the governor of North Maluku province. It is expected that the materials will be off-loaded to the four ports by the middle of May.

West Timor

Reports from former grantees and other partners in the region regarding the current security environment in West Timor during the past quarter were mixed. Those in Kupang city indicate that conditions there had returned to normal. However, those reporting from outside the city and as far away as the border with East Timor state that the security situation has not improved. Tensions and violence in communities with high populations of East Timorese refugees have been particularly notable. For instance, in Poto, approximately 30 km outside Kupang, resettled East Timorese burned approximately 300 homes belonging to local West Timorese early in the first quarter. In addition, there have been many reports of human rights abuses of local citizens at the hands of the security forces.

After many months of little or no international presence in West Timor, international organizations and staff began to return to the region in late January. Some international NGOs, such as Catholic Relief Services and CARE, sent staff back into the region full time. Others, such as IOM and the UN, sent representatives in for specific one-off activities and assessments. The USAID Mission Director and the US Embassy's Political Section continue to demonstrate strong support for select OTI-funded activities in West Timor. However, the UN resolution against Indonesia still remains in place, making it unlikely that most multilateral donors will return to the region in the foreseeable future.

In late January to early February, there was a grant that organized a trip of West Timorese journalists to East Timor to collect firsthand data regarding the condition of returnees/ex-refugees in East Timor. The journalists involved in the activity represented local and national mass media as well as national-based television stations. During the visit, the grantee collaborated with UNTAET, UNHCR and IOM to organize a visit to the militia community's home base, to meet with Timor Lorosae Journalist Association and church groups who support the reconciliation process. Upon return, the information of the journalists' trip was disseminated in the media so that people in West Timor could understand the current conditions in East Timor. This grant activity was implemented with the assistance of the SWIFT Dili staff to help look for hotels and transport for the journalists while in East Timor. The activity was a resounding success and garnered widespread praise among the wider journalistic community in Indonesia.

During March, OTI built upon the success of the West Timor journalist visit to East Timor in supporting a follow-up activity by the journalists that consisted of a campaign for refugee repatriation, voter registration and reconciliation. In addition, OTI funded a strategic planning session for a network of human rights NGOs in the region. The latter effort produced a number of integrated proposals that were submitted to OTI at the end of the month.

Future activities in West Timor will depend very much on security conditions. The human rights activities proposed by attendees of the above-referenced roundtable were being developed at month's end and consisted largely of field training in human rights investigation techniques, gathering evidence from the field, combining results into a region-wide database and reporting these to the authorities as well as to the National Commission for Human Rights for follow-up processing. In addition, OTI will support the third round of reconciliation talks between CNRT and UNTAS, which will likely take place in East Java in late April.

Papua

January was a relatively calm month in Papua compared with the previous two months. Those who had earlier fled the region in fear of violence in the run-up to December 1 began to return. Theys Eluay, jailed leader of the Papuan Peoples' Presidium, was diagnosed with acute heart problems and was rushed to Jakarta for medical treatment where he remains at present. Other hard line leaders of the Papuan People's Presidium,

the political wing of the independence movement, remained in detention in Jayapura until late in the quarter, when they were reportedly released.

The province was rocked early in the quarter by the crash of a military plane carrying the provincial military commander, provincial chief of police, head of the provincial parliament and the chief prosecutor, among others. All died instantly. A new military commander and chief of police were named immediately. However, selection of a new head of the provincial legislature will be delayed until May while legislators debate the selection mechanism to be used.

In perhaps the most important political development during the quarter, Governor Jab Sollossa began consolidating a broad-based coalition of government officials, academics and NGO activists to draft a new framework for special autonomy referred to as “Basic Rights and Responsibilities of the Papuan People”. The Cendrawasih University-based team was tasked with combining elements of the 4 existing draft bills, as well as a document prepared by moderates from the Papuan People’s Presidium, into a new framework for special autonomy. This framework was socialized to the general public in Papua during the months of February and March. Feedback from the socialization process was also gathered and used to revise the first draft.

After the socialization/feedback process, the provincial government held its mass meeting of community representatives from all 14 of Papua’s districts to put the final touches on the bill before submission to Jakarta. Unfortunately, the meeting was “hijacked” by hard line elements from the Papuan People’s Presidium, whose message was independence or nothing. The result was a mass walkout by a large portion of the attendees. Nonetheless, the drafting team from Cendrawasih University pressed forward with revisions to the draft.

Early in the quarter, OTI-sponsored activities in Papua focused exclusively on human rights. KontraS-Papua continued its work in forming victims’ families forums to press for a settlement of their relatives’ cases. In addition, OTI grantee ELS-HAM continued its program of monitoring and advocacy with regard to issues that potentially lead to conflict and human rights abuses. In carrying out this activity, ELS-HAM was able to secure key evidence from the December Abepura incident and subsequently submitted the evidence to the National Commission for Human Rights (KomnashAM), who will continue to press for timely prosecution through the Attorney General’s office. Another human rights activity with Yayasan Ngalum was cancelled due to continuing sensitivities in their geographic coverage area.

In February and March, the primary issue focus in Papua shifted to special autonomy. OTI supported two organizations to carry out socialization of and feedback on the draft special autonomy bill in Papua. LP3BH covered the district of Manokwari, ELSHAM Sorong covered the district of Sorong, one of the largest and most resource rich sections of the province, while GKI carried out its activities in the districts of Biak, Timika, Jayapura, Manokwari and Sentani. OTI also funded the upcoming travel and

accommodation of the Cendrawasih University team to Jakarta to lobby the national legislature and the central government to approve the draft for special autonomy. That travel is scheduled for mid-April.

Future activities in Papua depend very much on the fate of the draft bill. Recognizing that this contentious issue is a potential trigger for conflict, OTI is developing activities with GKI to strengthen its province-wide conflict prevention efforts. OTI is also working with FOKER to develop the media's role in special autonomy as well as responsible reporting on the issue. In addition, former grantees from the socialization and feedback phase are also proposing conflict prevention and mitigation efforts in an effort to keep the lid on potential violence surrounding the special autonomy issue. Finally, human rights activities that build upon earlier efforts are currently under development in Merauke district and the "Bird's Head" region of Papua.

Human Rights

Early in the quarter, OTI funded the Ministry of Justice and Human Rights to conduct a workshop and seminar series aimed at developing a national policy and operational guidelines for handling internally displaced persons (IDPs). This activity was a direct outgrowth of an earlier OTI-funded activity with Center Pos, which enabled the Ministry to identify and articulate its broader national policy agenda, as well as identify the substantive, structural and operational roles of responsible parties within the Ministry.

Following on from the IDP workshop, the government publicly called for a presidential decree to establish a National Commission on IDPs for Indonesia. The presidential decree is to be signed sometime in April. In addition, the establishment of a human rights court, a proposal put forth in two OTI-funded workshops (ELSAM and Center Pos) late last year, has been agreed by the president although a written decree has yet to be released. Thus, future OTI efforts include activities aimed at helping to push these issues to become reality. In addition, OTI is currently developing national level programs that target the human rights situations in the current "hotspot" regions. These are aimed at building public awareness of, and thus government accountability for, regional human rights abuses and the processing of these at the center.

B. Medan and Aceh Grant Activities

Introduction

During the first quarter of 2001 OTI/DAI Medan and Banda Aceh staff put most of their efforts into supporting the faltering peace process in Aceh. At the same time Medan program officers investigated program possibilities in the area of decentralization that

could provide secondary options for the office if and when the opportunities in Aceh did not consume all staff resources. Just at the end of the quarter, though, OTI made a policy decision that the Medan office should discontinue its work in the area of decentralization and focus extra staff capacity on supporting OTI hotspot efforts in Aceh and elsewhere in the country. Further work on decentralization was stopped at that point.

Aceh

During the first three months of 2001, the political, security and humanitarian situations in Aceh all deteriorated markedly, in spite of the hope generated at the mid-January meeting between the Government of Indonesia (GOI) and the Free Aceh Movement (GAM) in Geneva. In those talks facilitated by the Henry Dunant Centre (HDC), GAM, for the first time ever, committed itself to participate in a process of political consultations that would not necessarily result in full independence for the province. Additionally the two sides decided not to extend the Humanitarian Pause, but to replace it with a moratorium on violence and continuing discussions to define the institutions and mechanisms that would replace the Pause. It was also decided that these would be undertaken by two new Steering Committees, one for Security Affairs and a second for Political Consultations, each with two members from each side.

Though GOI ratification of the January 15 agreement came within one week, there were still no government nominees to the Political Consultation Steering Committee by the end of March. GAM on the other hand, immediately named delegates, but without any government representatives, no progress was made.

In the meantime the national parliament continued to debate revisions to the Special Autonomy Law throughout the quarter. GAM voiced concern throughout the quarter that the government focus on defining special autonomy within the national parliament was a further indication that it was disregarding its commitment to bring GAM into political discussions. Acehnese civil society expressed similar frustration that they continued to be excluded from both the GOI – GAM dialogue as well as the government considerations of the parameters of special autonomy.

In mid-February, the GOI and GAM met again in Geneva and agreed to continue to work on defining mechanisms for the political consultations, but as stated above there was no follow-up from the government side. At this meeting it was also decided to indefinitely extend the moratorium on violence agreed in mid-January.

In Aceh, HDC focussed its efforts on translating the Geneva moratorium agreement into a measurable reduction in violence on the ground. This included establishing four district level monitoring teams (in Bireun, North, East and South Aceh) and working with the Joint Security Committee and local field commanders to define and implement limits on offensive actions and to set up “hot-line” communication systems. By mid-March these had concluded with the establishment of Peace Zones in the districts of North Aceh and Bireun.

In spite of all of these efforts, most observers reported new deployments of government troops in the province and a continual increase in violent incidents throughout the quarter. One of the HDC facilitators did see some improvement in security in North Aceh during a 10 day period in March when he, accompanied by local and Banda Aceh based Monitoring Team members, took an activist approach to keeping the two sides apart. However they were dismayed to learn that government troops had not been informed by their superiors about the details of the Peace Zone agreements. The team was finally forced to withdraw after suffering an accidental attack by GAM forces and brutal harassment by government soldiers and police. The latter first occurred during a chance encounter with a TNI patrol (and was the reason for the team's withdrawal) and later during their return to Banda Aceh when they were pointedly stopped by the police in Siglie.

On March 09, Exxon Mobil announced that it was stopping all production in Aceh due to continuing security problems. Shortly thereafter a helicopter carrying the Minister of Energy and Mineral Resources was fired upon during a visit to the natural gas facilities in Lhokseumawe. GAM vigorously denied that it was responsible for the attack.

Throughout March rhetoric on both sides became increasingly combative. Early in the month the GAM provincial commander declared that if the deployment of government troops to the province continued, GAM would respond by taking the war to Jakarta. On the government side the Cabinet declared that GAM was a separatist organization. General consensus was that this had no impact on the government's legal ability to act against GAM but was part of a larger effort to prepare the public for a more aggressive policy in Aceh. This was followed by a series of often confusing and contradictory ministerial level pronouncements about the imminence of a "limited military operation" or alternatively, a "security operation" against GAM. Several articles also appeared in local and international newspapers highlighting the military build-up undertaken by GAM during the peace talks and the potential for Aceh to be lost without a further increase in the numbers of government troops deployed in the province.

The alleged rape of five teenage women by the Police Mobile Brigade (Brimob) in late February in South Aceh became a high profile case in March, when the women were detained by Brimob after making their accusations public. The women then retracted their allegations and, for approximately the following three weeks, were held incommunicado (with apparently no medical attention) and any individuals or organizations that inquired were met with suggestions that they too might be considered guilty of association with this attempt to "defame" the Brimob.

March ended with the murder of one of the members of the South Aceh District Monitoring Team, his driver and a legal aid lawyer. The monitoring team member, who had earlier sheltered the alleged rape victims, was called in for questioning by the local police chief. He went accompanied by the lawyer. Witnesses stated that after completing the interview and departing the station, their car was followed by an unmarked vehicle. Others reported hearing shots just outside of Tapaktuan, the district capital. The car was

later found stopped at the side the road with all three occupants executed with a shot to the head.

Though these murders may have been connected with the rape case, it may also have been part of a larger effort that included the harassment of the North Aceh team, to cause a collapse of the HDC monitoring mechanism. If the latter is true, the effort was successful for HDC immediately confined all monitoring teams to their offices where they remained at the end of the month.

By the end of the month human rights NGOs in Aceh were reporting an increase in the number of disappearances by NGO activists as well as ordinary citizens.

Aceh Grants

Nine grants were approved for Aceh during the quarter. Six provided extensions of operational support for the Joint Committees and Monitoring Teams and Public Information Unit through mid-May. One provided investigative and training equipment to the human rights NGO, Forum Peduli HAM and another to the same organization published a call made by a consortium of the most prominent NGOs in Aceh for the GOI and the GAM to respect their cease-fire agreements. Finally a grant was finalized to the legal aid NGO, LBH Banda Aceh, to publish, distribute and publicize a booklet informing citizens of appropriate actions to take if they or their friends are arrested.

However, at the close of the quarter OTI took the decision to suspend the implementation and development of all grants in Aceh, except those to the HDC for the Joint Committees, Monitoring Teams and the Public Information Unit, until it has become more clear how the security situation will evolve. In the meantime the OTI Medan and Banda Aceh offices, in coordination with the OFDA representative based in Jakarta, are making contingency plans for assistance to increased IDP populations either in Aceh or in North Sumatra.

Other Sumatra Provinces

During the month of January OTI/DAI Medan focussed its efforts on the implementation and monitoring of the Sumatra wide program of public hearings for the regency level 2001 budgets. This program was designed to coincide with the initial implementation of the regional autonomy laws and included the first public budget hearings in Indonesian history. Implementing the hearings turned out to be more complicated than anticipated, due mostly to delays in the distribution of guidelines and financial information from central ministries in Jakarta. As a result the schedule slipped from December 2000 to January and February 2001, and OTI/DAI staff, the grantees and government officials were forced to adjust the focus and agendas of both the budget analysis workshops and the public hearings.

In an effort to prepare for the OTI/DAI team building and strategy session in early February and the year ahead, Medan staff developed a grant to bring together selected and respected NGO and government partners to consider how OTI could positively impact decentralization in Indonesia in 2001. The participants began by defining and mapping the various processes by which political and fiscal authority are being devolved from the national to the regional level. Next they identified potential flash points within these processes where, for example, a lack of guidelines, information or understanding, or distinct conflicts of interest among the players could derail the devolution of power and possibly cause governmental paralysis or even open conflict.

During the month of February OTI/DAI Medan all but completed the implementation of the Sumatra wide program of public hearings for the regency level 2001 budgets.

OTI/DAI Medan program staff continued to refine its proposal to focus on the flashpoints within the decentralization process. Both prior to and after the staff conference during the second week, consultations were held with other USAID offices, other international players and national government and civil society figures. By the end of the month staff had concluded that three different problem areas within the implementation of regional autonomy offered the most potential for conflict and had the least attention from other agencies:

- Ill defined jurisdictional limits between neighboring regencies and between them and provincial governments.
- The lack of tradition, mechanism and capacity for local civil society to monitor the implementation (i.e. disbursements, contracting etc) of the 2001 regency level budgets.
- The lack of tradition, mechanism and capacity for local civil society to participate in the process of development planning that will result in the finalization of the 2002 regency level budgets.

But, as stated above, at the end of March OTI decided that Medan and Banda Aceh staff should assist OTI efforts in other “hotspots” when not involved in Aceh related program development or implementation, rather than focus on decentralization in other Sumatran provinces.

C. East Timor Grant Activities

Civic Education

In the civil society sector, a national civic education steering committee is bringing together Timorese and representatives of the international community. It is expected that local civil society groups will be the key implementers for most civic education initiatives.

USAID/OTI will look for opportunities to support these groups. As part of this process, USAID/OTI funded three representatives from the NGO Forum's Civic Education Working Committee in January, who traveled to Indonesia to meet with local democracy education groups to begin the process of collecting relevant civic education training materials.

The Civic Education process is moving ahead slowly as the many different players try to develop a coordinated strategy. The UNDP (United Nations Development Program) team made recommendations and UNDP will be providing graphic artists and people experienced in developing messages. Many of the local groups are moving ahead with their own programs. The National Steering Committee plans to have four Timorese Civic Education coordinators in full-time positions for 6 months. One will come from OMT, the Timorese women's organization, one from the local NGOs through the umbrella group NGO Forum, and one from CNRT. They will work with two UNVs (United Nations Volunteers), currently being recruited mostly from volunteers already in the field.

The Asia Foundation is conducting the first national survey, which will provide information regarding attitudes towards democracy and basic socio-economic information. Most important for OTI's programming is to show how people get access to information, what are their sources of information, and what are their views of democracy. Although the data has not been received, some of the preliminary reports from the surveyors indicate how little access to information people have. Public information remains one of the main challenges facing the electoral campaign and civic education in general.

More and more groups are presenting solid program activities within the area of voter education, domestic election monitoring and creative civic education messages. With a \$62,500 grant, USAID/OTI funded the printing of the bulletin "The Road to Independence" outlining the transition calendar and steps towards independence. These are being distributed in all the civil registration centers, where all eligible voters will come to register. Audio-visual equipment will provide an important communications infrastructure for NGOs and civil society groups to use in their ongoing civic education activities. It will remain the property of ETTA for this community purpose.

Within the civil society sector, USAID/OTI gave a grant to a local organization in Covalima District called "Violence Free Communities." The group will run a community sensitization campaign throughout the border district in which 20 facilitators will lead community discussions in 44 villages over an eight-week period. The discussions will focus on community violence including past human rights violations, current domestic violence, and methods of preventing potential conflicts over political views or property disputes. The group aims to empower communities to reduce the level of conflict in their villages and develop a sense of responsibility for dealing with violence, as well as to support victims of violence. Unlike many activities by Timorese human rights groups, the campaign will focus not only on human rights violations associated with the Indonesian occupation, but also on domestic and political violence in contemporary East Timor. The

issue of domestic violence is receiving increasing attention from Timorese women's groups, human rights organizations, and the police.

The Human Rights Center – Maliana Forum received a grant for start-up material for building renovation and to provide human rights training sessions specifically in the role of reconciliation, human rights, advocacy, civil society, human rights field investigations, election monitoring, conflict mediation, reintegration of returnees from West Timor, dissemination of information of political transition, and a human rights abuses monitoring program for 6 subdistricts in Maliana district. The grant will include building renovation costs, fuel supplies for transport to and from training sessions, motorbikes, office electronics, office furniture, transport support, stationery, computer orientation at the NGO Forum and training fees for the sub-district training sessions.

The NGO Forum, an umbrella group of local NGOs, launched the District Liaison program with initial assistance from USAID/OTI. The District Liaison Officers provide information to district-based organizations about training opportunities and serve as a contact point with government, international NGOs and donors. Also, the NGO Forum provides technical support to local organizations in computer training, computer repair and translation. Since the initial start in October 2000, NGO Forum has expanded from one USAID/OTI-funded District Officer to a team of six, with the five new positions funded by other donors.

Media

In January, the USAID/OTI media program staff worked with Internews to provide a \$249,288 grant for an on-going training program with local journalists and media entities. The Internews program began in February with management training for print media. Other recent USAID/OTI media activities included a grant in support of the Timor Lorosa'e Journalist Association Congress that was held from January 10-13. The conference attracted 140 participants from East Timor and the Asia-Pacific region. Their activities included the drafting of an organizational constitution and a code of ethics, panel discussions, and the election of new officers. Additionally, USAID/OTI signed grants for two local media entities: Lalenok, a Tetum language weekly paper, and Voz da Esperanca, a youth-oriented radio station.

During February USAID/OTI made several new grants in the media sector. In print media, USAID/OTI provided operational funds with a grant to the Indonesian language weekly Talitakum to allow the paper to expand coverage outside Dili. USAID/OTI also gave a small grant to the Print Consortium for financial and accounting technical assistance. The USAID/OTI/East Timor office assisted USAID/OTI/Indonesia by providing logistical support for a visit to East Timor by West Timorese journalists. The visit proved highly successful and, in coordination with the Timor Lorosa'e Journalists Association and the UNHCR, the USAID/OTI East Timor program provided direct funding support with a grant for another journalist visit in late February. The visit of West Timorese journalists to Dili, funded by USAID/OTI/Indonesia and supported logistically

by USAID/OTI in East Timor, proved extremely effective in promoting a better, more objective series of East Timor stories in the West Timorese media. Recent returning refugees have cited the positive press reports as a factor in their decision to return home.

Radio Maliana, supported initially by USAID/OTI with equipment and operations funds, has received follow-on operational support from UNHCR to air radio announcements on refugee return and reconciliation. Cited by returning refugees as providing useful, accurate information on the situation in East Timor, the radio station reaches parts of Atambua in West Timor, as well as much of the border district Bobonaro, in East Timor.

During March USAID/OTI made several new grants in the media sector. Recognizing the immense need for information in East Timor's districts outside Dili, USAID/OTI is partnering with the newspapers in Dili and a number of international NGOs to bring more newspapers to the district and sub-district level. USAID/OTI is providing grant funds to buy up unsold copies of Timor Post, Suara Timor Lorosa'e, Lalenok, and Talitakum for 20% of the normal street price. The papers will be distributed among a number of international NGOs, who will in turn bring them to the districts and sub-districts in which they are working. For example, Medicos de Mondo, Portugal, will distribute papers in Lautem district where the organization runs a mobile clinic in rural areas. USAID/OTI also finalized a \$59,000 grant to support radio reporter stations in Oecusse, Covalima, and Viqueque districts. The project will be carried out in cooperation with the World Bank's Community Radio Support Center and Radio UNTAET, helping to lay the groundwork for future community radio stations in each district.

Transitional Engagement for Population Support – TEPS II

USAID/OTI's community-based TEPS II program aims to support reconstruction and income-generating activities. Procurement for 22 new grants approved in December was completed and supplies began to be delivered to project sites in Ermera, Suai, Bobonaro, and Baucau in January. In order to strengthen the TEPS II project, three program staff (one expatriate and two Timorese) traveled to Mindanao, Philippines at the end of January to attend a post conflict/community development workshop that was co-hosted by USAID/OTI, the World Bank and the Asian Development Bank. They visited USAID/OTI project sites in conjunction with the workshop and learned some of the practices and procedures that have made that program a success.

During February, program staff monitored existing projects and did a number of field visits to follow up on pending proposals in the four remaining districts that have not received any funding since the program's pilot phase began in October 2000. By the end of February, nineteen proposals were being processed into grants. Also during February, USAID/OTI finished deliveries of supplies for 20 of the 22 grants that were signed at the end of December 2000.

In late December 2000 USAID/OTI gave start-up funds with a grant to a carpentry shop in Ainaro District. In tandem with management support provided by an AusAID technical consultant, funding for tools was given by USAID/OTI under the TEPS II program as an income generation scheme for the approximately 25 carpenters associated with the shop. In late February, the carpentry shop, in tandem with management support provided by AusAID technical consultants, won a bid from the World Bank to build 100 sets of furniture for district schools.

During March the TEPS II Program signed MOUs for 18 community development projects in five districts. This effectively ended the nationwide pilot phase implementation of TEPS II: sixty projects were approved under the program, including the rehabilitation of community buildings, irrigation systems and small-scale clean water systems as well as support (in-kind) for income generating cooperatives. Approximately \$775,000 was disbursed.

USAID/OTI's TEPS II program recently completed a grant to provide support to two carpentry groups for the construction of school furniture in Viqueque, a district recently rocked by fighting and the destruction of scores of homes. The carpentry groups will employ at least 15 people to start up, with more joining as the groups become established. They will produce 100 sets of primary school furniture, benefiting over 200 primary school students in the district. Many schools are still without furniture. Also, a TEPS II supported village carpentry cooperative in Manatuto District, where USAID/OTI's support allowed the cooperative to successfully leverage funds and technical assistance from AusAid (a generator) and Action contra la Faim (ACF) and International Rescue Committee (capacity building), just received a \$15,000 contract from ETTA for the construction of school furniture. According to the ACF final report on the project: "Upon showing the carpenters exactly what would be provided, and even more so after signing the contract with ETTA, motivation rapidly grew. It is expected that at least \$6,000 will be obtained for further workshop capitalization, salaries and community investment, as this will occur before July 2001, the impact of the USAID donation is far greater than initially expected." Currently, 11 carpentry groups, with five to six members each, are using this cooperative. It is anticipated that membership will grow as the cooperative gets more contracts. Many of those involved are youths. It is also anticipated that future orders for school furniture will be given to both of these carpentry cooperatives and that these contracts will help ensure the future financial sustainability of the project.

Project 'BELE'

At the same time, USAID/OTI is initiating Project BELE (the word "bele" means 'to be able' in Tetum, East Timor's lingua franca), a follow-up intervention that builds on the strengths of the original Transitional Employment Program (TEP) and the Transitional Engagement for Population Support Program (TEPS II) by emphasizing engagement with local communities.

Falantil Reinsertion Assistance Program (FRAP)

During January USAID/OTI continued to work with IOM (International Organization of Migration) and the World Bank to further develop a program for ex-Falantil fighters who in early February began re-integrating into East Timorese communities.

At the beginning of February, USAID/OTI began processing through USAID/Washington a \$1 million grant to IOM for ex-Falantil fighters who are being re-integrating into home communities. USAID/OTI and the World Bank are jointly funding the yearlong Falintil Reinsertion Assistance Program (FRAP). During February, IOM continued to register the estimated 1,100 FRAP participants and to make the first of five \$100 transitional safety net payments. As the FRAP neared full implementation, two USAID/OTI Timorese staff worked in Aileu for ten days to translate documents being produced for a FRAP information campaign. During a tense time leading up to program implementation, the staff helped to clarify program information and answer questions from program participants who were anxious about returning to civilian life. Over the coming two to three months the next and final stage of the program will take shape in the form of a longer-term reintegration package that will include equipment and training needed for self-sufficiency in crop or livestock farming, fishing or small off-farm enterprises.